

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 EB-08 AID-05 TRSE-00 OMB-01 /073 W  
-----003094 240548Z /11  
R 231817Z SEP 77  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 1856

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E.O. 11652: N/A  
TAGS: PINT, SP  
SUBJECT: STATEMENT BY CONSERVATIVE (AP) LEADER FRAGA IRIBARNE

1. THIS IS THE MOMENT OF TRUTH, AP LEADER MANUEL FRAGA STATED IN A COLUMN APPEARING SEPT. 22 IN THE LIBERAL LEFT "EL PAIS" SPACE REGULARLY GIVEN OVER TO VIEWS FROM VARIOUS SECTORS. IN ANY BUSINESS OR ENTERPRISE, EVEN POLITICS, SOONER OR LATER WE HAVE TO STOP TALKING AND START DOING. "IMAGE" IS ALL VERY WELL, BUT IT IS A FANTASY, NOT REALITY. "FACTS ARE STUBBORN," AND THE FACTS ARE, THAT SPAIN IS IN CRISIS:

-- AN ECONOMIC CRISIS; NOT A SINGLE NEGATIVE FACTOR IS MISSING: HIGH INFLATION, LOW PRODUCTIVITY, LACK OF INVESTMENT, BUDGET DEFICIT, BALANCE OF PAYMENTS PROBLEMS, FOREIGN DEBTS, "DECAPITALIZATION" OF BUSINESS, AND A SPECTACULAR COLLAPSE OF STOCK MARKET PRICES.

--A SOCIAL CRISIS; THE OLD VERTICAL LABOR SYNDICATES HAVE BEEN "FRIVOLOUSLY" DISMANTLED, BUT THE NEW UNIONS ARE NOT READY TO TAKE THEIR PLACES; THE SERVICES TO THE WORKERS HAVE BEEN INTERRUPTED, WHILE THOUSANDS OF THE OLD SYNDICATE EMPLOYEES DO NOTHING; "TUMULTUOUS MEETINGS" AND ALL SORTS OF DEMAGOGY MARK THE LABOR SCENE.

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--A PUBLIC ORDER CRISIS; IN VIOLENT CONFRONTATIONS AT DEMONSTRATIONS, MENACING LETTERS, ROBBERIES, ALL SORTS OF VIOLATIONS OF THE CIVIC PEACE, ALL DRAMATICALLY INCREASING.

--A NATIONAL UNITY CRISIS; NOT TO BE CONFUSED WITH THE LEGITIMATE DESIRE FOR DECENTRALIZATION AND AUTONOMY; SOME DESIRE TO TURN BACK TWO OR THREE CENTURIES OF

NATIONAL EVOLUTION; THE NATIONAL FLAG IS INSULTED; ASSASSINATIONS AND KIDNAPPINGS ARE IGNORED, AND THEY WANT TO MAKE HEROES OF THOSE WHO CARRY THEM OUT; AND ALL THIS IN AN ATMOSPHERE OF IMPROVISATION, WEAKNESS, AND PRESSURE, INSTEAD OF TREATING MATTERS "SERIOUSLY", AND IN THE CORTES OF THE KINGDOM."

--IN SHORT, A GRAVE POLITICAL CRISIS OWING TO ALL THE ABOVE, AND TO THE "ABSENCE OF SOME CLEAR AND RESPONSIBLE GOVT PLANS:" INSTEAD, "WE SEE A GOVT THAT DOES NOT GOVERN" (THIS IS BECOMING ALMOST A CATCH PHRASE IN OPPOSITION CIRCLES--SEE MADRID 6985); WE NEED "POSITIVE PROGRAMS," NOT MORE LISTS OF "UNILATERAL CONCESSIONS."

--FINALLY, ON THE INTERNATIONAL SCENE, WE ARE SEEING THE TRUTH ABOUT EUROPE; AS "SOME OF US HAD ADVISED AT THE TIME," EUROPE IS MORE THAN DEMOCRACY, EUROPE IS "A CLUB OF INTERESTS," AND SEVERAL MEMBERS HAVE GOOD REASONS TO ASK A STIFF PRICE FOR SPANISH ENTRY (CITING AGRICULTURE FOR FRANCE, IMMIGRANTS FOR GERMANY, GIBRALTER FOR ENGLAND).

2. THE HOPES WHICH VARIOUS PEOPLE NOW ENTERTAIN MUST PASS THE TEST OF THESE "INEXORABLE FACTS." IT HAS BEEN SAID THAT THE ECONOMY, WITH A BETTER MODEL THAN "DEVELOPMENT BY THE (CIVIL WAR) VICTORS," WOULD PROSPER--THUS FAR NO SUCH MODEL HAS APPEARED, WE SPEND MORE AND LIMITED OFFICIAL USE

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NOTHING WORKS OUT; THAT LABOR RELATIONS, FREE FROM THE "COREST OF VERTICALISM", WOULD BE MORE NATURAL AND POSITIVE--THIS HAS NOT BEEN CONFIRMED EITHER; THAT PUBLIC ORDER, CARRIED OUT ON A LESS "AUTHORITARIAN AND REPRESSIVE" BASIS, WOULD PRODUCE FEWER CONFRONTATIONS--"TELL THAT TO THE GOOD PEOPLE OF SAN SEBASTIAN" (IN THE BASQUE COUNTRY, RECENT SITE OF LENGTHY AND OFTEN VIOLENT STREET DEMONSTRATIONS); THAT NATIONAL UNITY, WITH THE LOOSENING OF "HARSH CENTRALISM," WOULD BE PERFECTED--"LET'S HOPE SO"; IN SHORT, JUSTICE AND BENEFITS WOULD COME TO ALL SPANIARDS--WELL, "HERE WE ARE\*"

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3. NONETHELESS, FRAGA MAINTAINS, "I HAVE BEEN AND REMAIN A REFORMER;" IT'S JUST THAT "REFORM IS A VERY SERIOUS THING, AND HAS NOTHING TO DO WITH INCONSTANCY, OPPORTUNISM, AND IMPROVISATION." LET'S TALK ABOUT WHAT WE CAN AND OUGHT TO DO. A FEW "MODEST PROPOSALS:"

--WE OUGHT TO TALK LESS OF GENERALITIES, MORE OF CONCRETE PLANS. ENOUGH OF GRAND PHRASES LIKE LIBERTY, DEMOCRACY, JUSTICE, ORDER, ETC. LET'S SAY WHAT WE WANT TO DO THIS YEAR AND NEXT.

--IN FACT, WE SHOULD HAVE A TWO-YEAR PLAN: A SERIOUS PLAN, AUSTERE, EXEMPLARY, PROFESSIONAL; WE CANNOT GO ON IMPROVISING. THIS PLAN SHOULD INCLUDE A "REALISTIC" CONSTITUTION, A SERIOUS PLAN OF PUBLIC ORDER AND RESPECT FOR LAW, AND AN "AGREED-UPON FREEZE" OF QUESTIONS THAT DO NOT HAVE SHORT-TERM SOLUTIONS. ALL THIS WITH A VIEW TO RE-ESTABLISHING CONFIDENCE AND (THUS) THE ECONOMY, "TODAY ON THE VERGE OF CATASTROPHE."

--FINALLY, WE NEED THE "CO-PARTICIPATION OF ALL THE RESPONSIBLE GROUPS IN THE ACTION AND THE RESPONSIBILITY." THIS NEED NOT BE DONE, NECESSARILY, THROUGH THE GOVT; BUT IN ONE WAY OR ANOTHER, THERE MUST BE "BASIC PACTS" ON THE PROGRAM, ON CONSTITUTIONAL AND LEGISLATIVE ACTION, ON A TRUCE ON POLEMICS, AND REGARDING ELECTIONS. WITHOUT THIS, THE COUNTRY WILL CONTINUE DETERIORATING. "MANY LIMITED OFFICIAL USE

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ARE AWAITING THE ORDER TO MARCH. LET'S KNOW HOW TO GIVE IT TO THEM, TO PROVE OUR OWN WORTH."

4. COMMENT: FRAGA'S PRESENTATION IS NOT SURPRISING CONSIDERING HIS OPPOSITION AND CONSERVATIVE VANTAGE POINT. MOREOVER, FRAGA'S PITCH EXPRESSED A VIEW ECHOED ON THE GOVT'S LEFT AND IN THE MEDIA AS WELL, A VIEW THAT A KIND OF DRIFT HAS SET IN FOLLOWING THE TRANSITION TO DEMOCRACY, AND THAT CONCRETE MEASURES ON SEPCIFIC ISSUES MUST NOW

BE TAKEN. THE AP'S CALL FOR "CO-PARTICIPATION" HAS A  
COUNTERPART IN THE CONSTANT CALL OF THE OTHER SECOND-RANK  
PARTY, THE PCE, FOR A GOVT OF NATIONAL CONCENTRATION.  
FOR THEIR PART, THE TWO MAJOR PARTIES (UCD AND PSOE)  
NATURALLY PREFER TO PUT FORWARD THEIR OWN PROGRAMS. IT IS REPORTED,  
IN FACT, THAT PRIME MINISTER SUAREZ WILL SOON APPEAR ON TELEVISION  
AND PERHAPS IN THE CORTES TO PRESENT A MORE SPECIFIC GOVERNMENT  
PROGRAM AND STRATEGY THAN IN THE PAST, DOUBTLESS IN PART TO  
PROVIDE A STRONGER PUBLIC IMAGE OF GOVERNMENT INITIATIVE. STABLER

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## Message Attributes

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